

AGENDA SUMMARY PAGE

REDEVELOPMENT AGENCY MEETING OF: NOVEMBER 7, 2007

DEPARTMENT: OFFICE OF BUSINESS DEVELOPMENT

DIRECTOR: SCOTT D. ADAMS

SUBJECT:

RESOLUTIONS:

RA-18-2007 – ABEYANCE ITEM - Discussion and possible action regarding a Resolution finding the project proposed by the Commercial Visual Improvement Program (CVIP) Agreement between the City of Las Vegas Redevelopment Agency (RDA) and Aristotle Holdings, LP, (Owner) and OG Eliades, LLC, and OG Eliades AD, LLC, d/b/a Olympic Garden (Tenant), located at 1531 Las Vegas Boulevard South (APN 162-03-210-090) to be in compliance with and in furtherance of the goals and objectives of the RDA - Ward 3 (Reese) [NOTE: This item is related to Council Item 77 (R-71-2007) and RDA Item 4]

Fiscal Impact

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No Impact

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Augmentation Required

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Budget Funds Available

Amount:

Funding Source:

Dept./Division:

PURPOSE/BACKGROUND:

This is a related item to discussion and possible action regarding assisting OG Eliades, LLC, and OG Eliades AD, LLC, d/b/a Olympic Garden, with the cost of visual improvements to the building and property fronting Las Vegas Boulevard South with new neon signage compliant with the Las Vegas Scenic Byway Program. Approval will adopt findings that the Agreement is in compliance with and in furtherance of the goals and objectives of the RDA and the Redevelopment Plan.

RECOMMENDATION:

No recommendation.

BACKUP DOCUMENTATION:

1. Resolution No. RA-18-2007
2. Site Map
3. Submitted at meeting – Written comments by Tom McGowan

Motion made by GARY REESE to Hold in abeyance to 11/21/2007

Passed For: 7; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0

RICKI Y. BARLOW, LOIS TARKANIAN, LARRY BROWN, OSCAR B. GOODMAN,
GARY REESE, STEVE WOLFSON, STEVEN D. ROSS; (Against-None); (Abstain-None);
(Did Not Vote-None); (Excused-None)

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Minutes:

SCOTT ADAMS, Operations Officer of the Redevelopment Agency, stated that this matter was held in abeyance at the last meeting. It pertains to a Commercial Visual Improvement Program grant request from Olympic Garden. He showed pictures of the current signage and pictures depicting the proposed signage improvements. The project complies with the strict requirements of the program. Two areas of the requirements are very subjective, which gives the Agency members latitude in deciding whether the proposed improvements make the visual improvement required under the program and whether the project meets the test that no other reasonable means of funding is available to the business owner. He mentioned that the 35 CVIP applications that have been approved included a wide range of types of projects that met both the visual improvement and reasonable funding tests.

MR. ADAMS indicated that staff did not make a recommendation, because the Agency members should have the ultimate discretion.

TODD BICE, Attorney with Brownstein, Hyatt, Farber, and Schreck, appeared on behalf of the applicant. He stated that the applicant has spent more than \$1 million in improvements to both the interior and exterior of the structure, as well as the grounds and signage. Due to trademark issues, the owner opted to change the name of the establishment to OG and is currently undergoing the process. Hence, the owner is proposing \$28,000 worth of sign improvements, for which the company Floresco devised a plan.

At the request of MEMBER REESE, DICK BONEYER, Plus, described the initial proposed sign changes and the revisions. ATTORNEY BICE added that the new sign would exceed the 75 percent combination of neon and animation, as requested by staff. The sign as proposed was already approved by staff and the permit was pulled. MEMBER REESE indicated his preference for a sign with more neon and a smaller reader board. ATTORNEY BICE explained that the owners made a deposit on the proposed sign. Originally, a very modest sign was proposed. However, during staff's review, the owners were informed that they qualified for a CVIP grant in order to make more sign improvements. Hence, the applicant expended more money to obtain a new proposal and, upon staff's encouragement, entered into a contract for the new sign design. He pointed out that, in order to meet MEMBER REESE'S request, the sign would have to be redesigned. He insisted that the owner would not have pursued the CVIP grant had staff not insisted.

MR. BONEYER interjected that the pictures of the most recent sign design do not depict the entire proposal; they only show the front of the building. There is a lot more. MEMBER REESE reiterated that he has made it very well known that he wants a higher ratio of neon.

MEMBER WOLFSON discussed the possibility of changing the design of the sign with ATTORNEY BICE, given that, although there is a contract, no money has been paid. ATTORNEY BICE indicated that he would have to consult with the design company and the applicant to assess the possibility, adding that a deposit was made. MEMBER WOLFSON remarked that any deposit made would surely be applied to the total price. He then commented

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that any encouragement by staff was to make application for matching funds, because the Agency members have the ultimate discretion to approve/deny any CVIP grant.

MEMBER WOLFSON then sought clarification from MR. ADAMS regarding the manner in which the Agency members are to apply the requirement of no other means of funding. CITY ATTORNEY JERBIC rejoined that the Agency could not grant approval, unless the owner declared that no other reasonable means of funding is available for the improvements, because the return on investment is not reasonable. This language has been consistently interpreted by staff that the applicant would not make the business decision to make improvements because a lender would not provide the financing.

MR. ADAMS indicated that, although the agreement includes an affidavit from the applicant to that effect, staff reviews the project to assess that it is a reasonable claim. MEMBER WOLFSON clarified that, even though the applicant is able to afford the improvements, he/she might not be inclined to embark on making improvement were it not for the availability of matching funds.

MEMBER REESE expressed concern about not having sufficient neon on the sign, especially with all the money that has been invested on the improvements to Fremont Street. The Centennial Committee is still buying signs for it. All he is asking for is more neon on the sign in order to comply with the plans for Fremont Street.

MR. ADAMS pointed out that the applicant was asked to make improvements in order to meet the standards of the Las Vegas Scenic Byway District, in which the business is located, and that is how the applicant was made aware of the CVIP.

MEMBER REESE insisted that he met with the applicant, who indicated to him that she would try to make the adjustments as he desires, and that is all he wants. ATTORNEY BICE requested abeyance to meet with MS. ELIADES, and he assured MEMBER REESE that he would have someone meet with him to show him the layout of the proposed improvements.